DISCUSSION PAPER

THE EXPORT OF WATER FROM THE BRITISH COLUMBIA COAST

JANUARY 1992

PREPARED FOR THE MINISTRY OF ENVIRONMENT LANDS AND PARKS

BY

EDUCOM INTERNATIONAL INC.

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92-05154/

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COMMENT SHEET FOR THE EXPORT OF WATER FROM THE BRITISH COLUMBIA COAST

I. Physical Issues (Environmental Concerns, Tourism, fisheries and Aquaculture, Agriculture and Groundwater Shipments.)

II. Financial Issues (Rate of Return for the Province, What is the Real Cost and Who Pays?, Licensing Fees and Arrangements.)

III. Jurisdictional Issues (Federal/Provincial Authority, Province's Fiduciary Obligation Respecting Native People, The Impact of the Free Trade Agreement.)

IV. People Issues (Native Consultation, Company Issues, Competition with Current Bottled Water.)

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INTRODUCTION

The British Columbia Ministry of Environment, Lands and Parks has initiated a public discussion on the water management program in British Columbia entitled 'Sustaining The Water Resource'. As 'guardian and steward' of the province's water resources, the Ministry has identified key issues such as:

1. Resource management and planning for the supply and use of water.
2. Defining, monitoring, protecting and reporting on water quality.
3. Minimizing the threat to lives and property caused by drought, flooding and erosion.
4. Ensuring an adequate knowledge of the water resource.

The Ministry is in the process of seeking public involvement in setting directions for the future in these areas.

One issue, which is mentioned in Environment, Lands and Park's discussion paper entitled 'Sustaining the Water Resource', is that of Water Export. In February, 1991 a total of 6 bulk water export licences had been issued to companies in British Columbia. They ranged from a volume of 200 acre feet/year to 42,635 acre feet/year. It is interesting to note that while some bottled water has been exported, no bulk water has been shipped. At the same time 20 applications for bulk water export licences were under consideration. In March of 1991, the Minister of the Environment placed a moratorium on the issuance of new bulk water export licences. A number of issues were raised regarding the export of water from coastal streams which required attention. Thus, a separate initiative was begun under the guidance of R. J. Carter, former Deputy Minister, to examine this one aspect of the broader issue. The goal, at the end of the dual initiatives, will be to integrate the results of the two reviews into a single set of recommendations to the Minister.

The policy implications of Water Export have been examined through a series of meetings, an 'experts' session held in May of 1991, consultation with key stakeholders, discussions with the responsible ministries and through research of the current literature. The study has been further enhanced by legal advice on the trade issues and by a cost study on bulk shipments. The issues are presented in this discussion paper, so that the caretakers of the resource, the citizens of British Columbia, can express their views to government. Now we seek your comments on a fundamental question. After reading this discussion paper, what are your views regarding the safeguards necessary for the licensing of bulk water export.?

The Water Export review will be carried out through responses to this paper and through the broader public discussions to be held in conjunction with the Ministry review. People wishing to make public presentations on the issue of Water Export are encouraged to do so at the public sessions which will be held by Environment, Lands and Parks. (See 'We Welcome Your Comments' for details on establishing a meeting). All statements relating to Water Export will be forwarded to Mr. Carter for consideration. No public hearings will be held for the specific purpose of examining Water Export. Provisions will be made for Mr. Carter to attend selected meetings where indications point to a special interest in the Water Export issue.

BACKGROUND

The economy of British Columbia has prospered through the export of its natural resources for over 200 years. The first export product from what is now British Columbia was sea otter pelts. These exports were followed by others such as salmon, minerals, timber, gas, oil and electricity. Given this history, it is natural that entrepreneurs would look at the export of water as a possible industry. Indeed, bottled water has been exported with some success from both the coast and the interior of the province for some time. Until recently there was limited interest in bulk water shipments from the coast. However, with the recent shortage of water in California a market opportunity may exist for the bulk export of water from B.C. With the number of tankers available worldwide, various individuals and companies consider it economically viable to load water from rivers and creeks emptying into the Pacific Ocean and bulk ship for sale to California.

It is important to note that while California has the prime market potential, other markets in Asia and elsewhere are also being considered. Countries already exporting bulk water include Japan, Turkey, the United States and Norway. Such an industry would provide revenues to the province, offer employment, and provide profit for their companies (some of which would end up in the province). To begin an industry with a natural resource which has a pattern of continual renewal seems to make good sense.

Individuals and companies have approached the provincial government with proposals to develop this industry and several licences have been granted. The policy under which these licences were granted reads in part "....Applications for the bulk export of water discharging to the ocean from coastal streams will be considered on their individual merits provided that the water to be licensed for the export is surplus to local and provincial requirements and that the export does not impact undesirably upon other resource values, including environmental and land use concerns." Until interest began to grow, the policy was not tested nor were the circumstances by which export could take place fully developed and understood. As the number of requests for export licences increased, concern also grew that the regulations and conditions under which the licences would be granted had not been fully developed. The moratorium was therefore placed on the issuance of new licences and this study was requested to develop recommendations for government regarding the processes necessary for the export of bulk water.

HISTORY OF WATER EXPORT ISSUES

Proposals for the export of water from Canada to the United States have been prevalent for most of this century. Recent interest in exporting Canadian water to California was triggered by the U.S. Supreme Court decision in 1963 which required California to give up half the water from the Colorado River to Arizona.

> "....engineers in the United States and Canada sprang to their drawing boards to create imaginative plans for rearranging the flow of water in North America. Large scale water diversions became the stuff of headlines."
> Canadian Water: A Commodity for Export? Richard C. Bocking 1987.

Peter Pearse, in his 1985 Royal Commission Report on Federal Water Policy, cited nine examples of such schemes. Two of the better known ones are the Grand Canal Plan, which aimed to dike James Bay and to divert the water through the Great Lakes into the United States, and the North American Water and Power Alliance (NAWAPA) designed to deliver Canadian and Alaskan water to the dry areas of the Western United States.

The Pearse study indicated that the export of small quantities of water by tanker would involve "....no serious environment disruptions....". At the same time, the movement of large volumes of water through pipelines or river diversions raised a large number of policy issues. Dr. Pearse made three recommendations to the federal government regarding the export of water.

1. To pass legislation to require '....anyone who proposes to export water to obtain a licence....'

2. Recommended that cabinet '...determine whether the government is prepared to consider large scale diversions of water to the United States...'.

3. Recommended that '....the Minister of Environment, Lands and Parks should be empowered to appoint a special review panel for each proposal.'

In August of 1988, the Federal Government gave first reading to Bill C-156, 'An Act for the Preservation of Canadian Water Resources.' The Bill called for limits on the amount of water that could be exported under any single licence to about 16,000 acre/feet per year. The other limit placed on the volume was one cubic metre per second on a daily mean average. These limits would have essentially eliminated the possibility of large scale water exports. The Bill did not proceed.

Following the signing of the Free Trade Agreement, an "Act to Implement the Free Trade Agreement" was passed by the House of Commons and became law in 1989. Section 7(1) was designed to remove water from the agreement. However, Section 7(2) defined water as follow:

> 'In this section, "water" means natural surface and ground water in liquid, gaseous or solid state, but does not include water packaged as a beverage or in tanks.'

Thus the Act created a situation where water could become part of the free trade agreement where it was 'packaged as a beverage or in tanks.' The export of bulk water from coastal streams would be subject to the terms of the Free Trade Agreement.

The recent drought in California, and in particular the call for tanker water from British Columbia by the Santa Barbara and Goleta Water Districts in California, as well as the recent proposal by Multinational Water and Power Inc. to dam the North Thompson River, a tributary of the Fraser River, and divert the water on a continuous basis to California, has again raised the question of whether federal legislation to control the export of water will be enacted.

I PHYSICAL ISSUES

A. ENVIRONMENTAL CONCERNS

There seems to be some agreement amongst environmental experts that relatively small amounts of water (less than 5% of the flow of a coastal stream, for instance) could be extracted without ecological damage. In fact, much larger quantities are currently being removed for domestic, irrigation and industrial uses. However, the experts caution that there is very little data available on the ecology of the B.C. coast, including inlets and the ocean itself. It might be difficult to tell at what point water removal may result in damage to the ecosystems.

A factor which must also be considered is the cumulative impact of licensing water removal from a number of streams feeding into the same inlet or body of water. While the removal from each stream may be within a small tolerance level, the total of all the streams may have an impact on the temperature, chemistry and salinity of the body of water. Again the question is whether or not the removal of 1% of the fresh water from an inlet would have a significant effect.

One of the issues that experts see as a problem is that they do not know how changes will occur. If the first thousand tanker loads have no effect, will the same be true of the second thousand, and the third, and the fourth? Baseline data seems necessary to determine changes and the impact of the changes upon the ecology of the area.

Two solutions have been suggested. The first is environmental monitoring at both the water removal site and the surrounding area during the process of removal. The second is to conduct a series of experiments to determine the effect of a decrease in fresh water on the marine ecosystem before a decision is made. Monitoring of cumulative impacts is also worthy of consideration but only if several streams within a single inlet are included. If water removal from any stream or inlet is restricted as a condition of licensing, then it would appear that the most cost effective process is to gather baseline data from an approved site before extraction begins and to monitor the impact of removal during the full life of the licence. As with other resource users in the province the responsibility for the costs of monitoring the impact should be borne by the proponents. The terms and conditions of the contract should make provision for the possibility of ecological damage appearing.

The dumping of ballast water in B.C. waters is also of concern. If tankers are to be used for bulk water export they need liquid in their tanks on the return journey to handle properly. Tankers empty fresh water in California and re-fill their tanks with California sea water for the return trip. Somewhere off the coast of Washington State this water is dumped and replaced with water sufficiently like B.C. ocean water. This eliminates the concern about dumping in B.C. inlets. Protective measures must be put in place to ensure that dumping of ballast occurs at the appropriate locations. The spread of organisms, such as zebra mussels which have infested the Great Lakes, must be avoided. The spread of milfoil in the freshwater lakes of the country is an indication of the type of problem which could occur if the ballast water issue is not carefully monitored. Also worthy of consideration is the potential for tanker accidents and spills which could result from increased traffic.

B TOURISM

B.C. has marketed itself around the world as 'Super, Natural' British Columbia. The tourist industry generates significant revenue for the province, part of which comes from tourists who enjoy the relatively untamed coast of the province, with its thousands of comparatively deserted fiords and inlets. The wilderness aspect of our tourist industry is growing rapidly and is a significant contributor to employment and wealth in our province. What impact would the sight of large ocean-going tankers have on that 'Super, Natural' image?

Proponents of water export argue that the B.C. coast is so large that the visual impact of all the tankers and loading facilities that could possibly be involved would be negligible. A Ministry of Tourism official cautioned that we do not know the visual impact at this time. B.C. is vying for the tourist dollar in a fiercely competitive market. There may be no hesitation on the part of competitors to inform potential customers that the pristine B.C. image is not accurate. More research into the perception of potential tourists is needed, says the Ministry.

One suggested solution to avoid or reduce this impact is to create a small number of designated areas which provide opportunities for water export from appropriate sources without infringing on the tourism industry. A similar process was used by those planning aquaculture locations a few years ago. The sites were located to minimize impact on any other uses and seem to have been implemented successfully. There appear to be some sites on the coast which have abundant water supply and low environmental sensitivity.

C FISHERIES AND AQUACULTURE

Salmon fishing has been a major industry in British Columbia for almost 200 years. For the native peoples, it has been, and continues to be, a significant food source. The fishery exists primarily because salmon return to the streams and rivers of their birth to spawn and die. B.C. is fortunate to have a vast number of salmon-bearing streams and rivers.

It is unlikely that the removal of a small percentage (less than 5%) of the fresh water reaching the Pacific in B.C. would have an impact on the behaviour of salmon. It is reported that water volume, chemical triggers and temperature are probably more important than salinity in guiding salmon back to their spawning streams. However, there are no guarantees, especially if the water is taken from an inlet where there are also salmon-bearing streams. It is possible that a change in the salinity of the water in such inlets would have an impact on salmon but this information is not conclusive as there is insufficient data available. The placement, construction and operation of loading facilities are also of concern in consideration of fish habitat, spawning and rearing, migration routes and aquaculture.

Aquaculture is now a well-established industry. As with wild salmon, it is unclear what a change in salinity or the presence of foreign organisms would do to the fish in a fish farm, especially if the farm is located in a relatively small inlet.

Consideration also needs to be given to the possibility of the cumulative impact of several water export facilities located in one area. The concern over increased cost for hatchery water used to rear eggs and fry prior to their placement in the sea has also been raised. Protection of the salmon fishery, ground fish, shell fish and aquaculture sites will be necessary through the gathering of data and the monitoring of the ecosystems as they relate to the removal of water.

D AGRICULTURE

B.C. growers of specialty crops such as strawberries and greenhouse crops argue that the export of water to California may allow the State to continue selling water to their farmers at very low prices, thus allowing them to continue to produce competitively priced crops. The share of the market for B.C. growers is thus affected by exporting water from Canada for use by their U.S. competitors. Conversely, B.C. farmers are concerned that export of bulk water will cause a significant increase in the price of their water resulting in increased B.C. crop prices.

E GROUNDWATER SHIPMENTS

Currently, groundwater is not regulated in B.C., however it is regulated in every other jurisdiction in Canada. The subject is one of the topics which is addressed in the B.C. Environment, Lands and Parks discussion paper on water. However, at present, a modest amount of bulk water is being shipped from the interior to American destinations, where it is bottled. Thus, the absence of regulations of groundwater in the province creates a policy void in addressing the bulk export of water from the coast. The logical implication is that whatever licensing procedures are developed for the export of coastal water in tanks they should apply equally to the current, unlicensed tank exports from the interior of the province. The importance of integrating the efforts of the two studies is critical in this area. Of course, the monitoring would be of groundwater levels and the impact on other users of the supply, rather than stream monitoring which would occur on the coast.

It is important to note that the regulation of groundwater is a complex issue that goes far beyond the water export issue. Groundwater involves all the existing wells in the province, significant irrigation issues and has a history of not being regulated. The topic is one that is vital to the water export study but is only a small part of the total picture. The broader Ministry of Environment, Lands and Parks review paper, Sustaining the Water Resource, addresses the issue of groundwater. Whether or not groundwater will be regulated will be determined by the results of the broader study.

II FINANCIAL ISSUES

A RATE OF RETURN FOR THE PROVINCE

The proponents of water export claim that this industry would provide benefits to the province at little cost. The water currently flows into the ocean, providing no financial return to the province. If it were exported there would be jobs created, profits made, and the province would receive royalties. However, under existing circumstances, the total benefits to the province and to its residents may be small. The tug boat industry would produce employment of some significance as they are required for guiding the large vessels. Very little other employment would result.

Careful consideration must be given to the appropriate royalty that must be charged to gain a fair return for the province. As will be seen in the section on Licensing Fees and Arrangements there is an idea which may provide an opportunity for the price to be sensitive to the market and to provide a fair return to the province.

It will be necessary to ensure that there is a fair return to the province in keeping with other resource industries such as mining and forestry. At present the rates seem low.

What is the appropriate price we should be charging for the resource? If the export of bulk water is a viable business opportunity it must satisfy and provide fair return for all parties. The managers of the resource can turn to other resource industries for price guidelines.

At one time, B.C. forests seemed endless. Initially, they were logged without regard to reforestation and without concern about overcutting. Dramatic improvements in productivity and conservation reflect the value we place on the resource today. We must not make the same mistake with water as we consider the conditions necessary for the bulk export of water from our coast.

B WHAT IS THE REAL COST, AND WHO PAYS?

There will be a number of potential costs associated with the export of coastal water, including collecting base-line data, monitoring changes in the environment, constructing new pilot facilities, navigation aids for tankers, and equipment for clean-up of potential fuel-oil spills. If the costs become reality - who will pay? The pricing structure must provide for all costs of export to be covered for both the federal and provincial governments and it must leave an appropriate return for the general revenue of the province.

C LICENSING FEES AND ARRANGEMENTS

The current licensing arrangements for bulk water export provide for a $9.00 fee per acre foot for the authorized volumes. Upon the shipment of water an additional $9.00 per acre foot is charged. Two issues arise as a result of current licensing procedures. The first is the question of whether the additional fee can be charged for exported water under the existing International Trade Agreements. There is concern that the price for the water must be the same whether exported or

used for domestic purposes. The second is whether the current fees are enough to cover the costs that will be incurred by the province to assist with the establishment of the industry.

The challenge is to ensure that the price is set in a manner which guarantees that provincial costs are covered, revenues assured, Free Trade regulations are met and pricing to companies is market sensitive. Auctions similar to those used for oil and natural gas sites have been suggested as a way to create the price sensitivity necessary to meet market challenges. Another by-product of such a system would be the creation of a level playing field for all companies. This concept would tie in with the idea of designated areas and streams that would be eligible for bulk water export. It would provide for planning and careful monitoring of all extraction activities from coastal streams. At the same time it would protect the streams and inlets from a 'gold rush' attitude toward water export. At present, it is possible to apply for an export licence on any stream. While not all streams would be approved for export, it would clarify the process for both the affected ministries and the companies if designated areas were periodically open to a competitive bid process.

While the idea for designated areas and auctions is attractive, a number of issues remain unresolved. Those include the payment and provision for the infrastructure necessary to begin the shipping process, the reaction to the differential pricing structure that would result from the bidding process and the length of the licences. All are factors that would need to be settled before the auction process could be implemented.

III JURISDICTIONAL ISSUES

A FEDERAL/PROVINCIAL AUTHORITY

Certain aspects of the jurisdictional issue remain unclear. While the province, as the owner of the water resource, has the right to issue licences for the removal of water from coastal streams, the federal government has jurisdiction over a number of areas that may be related, such as the regulation of international trade and commerce, navigation and shipping, sea coast and inland fisheries, and Indians and lands reserved for Indians.

While the Province clearly has jurisdiction over its natural resources, including water, it is not yet clear to what extent federal jurisdictions have an impact on the regulation of these natural resource. Currently, there is litigation before the courts which may clarify some of these matters. At this point, the provinces maintain ownership of natural resources, but the federal government has Environmental Assessment Review Process (EARP) Guidelines that require an environmental review of any project that has an impact on federal jurisdiction. As an example of the Federal presence, the Ministry of Indian and Northern Affairs has called for a full environmental review on a site where a bulk water export licence has been requested. The Rafferty-Almeda Project in Saskatchewan and the Old Man River Dam in Alberta are two recent examples of water projects in which the federal government was required, by court action initiated by public interest groups, to conduct environmental reviews despite the fact that the federal government was not a sponsor of either project. The federal government is currently proceeding with Bill C-13, the Canadian Environmental Assessment Act, which would provide a statutory base for federal action in this regard. Many provinces view this act to be overly broad in its application to provincial matters and therefore a threat to provincial jurisdiction over natural resources.

It is generally conceded that the federal government has jurisdiction over foreign trade policy. This may give it the authority to impose restrictions on the export of water. Indeed, in 1988 the federal government tabled, but never passed, Bill C-156, which would have exercised this authority. It is unclear whether the federal jurisdiction over international trade would give it the authority to unduly interfere with the Province's allocation of its resources. Any attempt by the federal government to do so would be of concern to British Columbia. In order for a rational water export policy to evolve, it would be very desirable if these jurisdictional uncertainties could be resolved.

The future course of approvals should reflect integration of the federal and provincial processes, be understandable, and be a fixed process linked to pre-established dates that serves investors and planners in approving or rejecting applications in a timely manner.

B PROVINCE'S FIDUCIARY OBLIGATION RESPECTING NATIVE PEOPLE

The Delgamuukw decision made it clear that the province has jurisdiction over its resources and is free to direct development in the interests of all British Columbians. The decision found, however, that the province has a fiduciary obligation towards Native people. That obligation prevents the province from arbitrarily interfering with traditional aboriginal sustenance and cultural activities

on unoccupied Crown lands. The case is currently under appeal. The Province is, however, under obligation to consult with the Native people to ensure that traditional activities would not be infringed by a provincially-regulated activity.

C THE IMPACT OF INTERNATIONAL TRADE AGREEMENTS

Two agreements bear directly upon the question of bulk water exports. These are the General Agreement on Tariffs and Trade (GATT) which is subscribed to by 96 countries which together account for 90% of world trade, and the Free Trade Agreement (FTA) signed between Canada and the United States.

A review of these agreements indicates several issues could emerge in establishing a new policy on water exports.

The water resource can be used in a number of ways, one of which is for the production of water as a tradeable product. Most domestic uses of water are not affected by international trade obligations as they do not transform water into a product within the GATT.

Export prohibitions or quantitative restrictions on tradeable products are generally not permitted under the GATT. However, not all water used in British Columbia would be considered to be a "product" as understood by the GATT. Water is considered to be a product when it has become containerized or packaged and is thereby tradeable as a good in international trade.

There are also provisions in the GATT and FTA which allow additional measures "necessary to protect human, animal or plant life or health", so long as such measures are not arbitrary or unjustifiably discriminatory between countries or a disguised restriction on international trade. These provisions allow some scope for additional restrictions on the use and export of water.

Differential charges as between water in the form of a tradeable product and water used for domestic uses are not contrary to the GATT or FTA. However, the FTA does not permit taxes or charges on goods destined for the U.S. unless such charges are imposed on the good when destined for domestic consumption.

There are also provisions in the GATT and the FTA which deal with a short supply situation in which the government believes it is necessary to restrict the sale and export of water. In these cases, special rules apply and government may restrict water exports on a proportional basis with the supply of domestic water.

These provisions of proportionality raise the question of whether a government would have any obligation to renew a licence to export water in cases where the contract to export water and the related licence expired.

The resolution of this issue in terms of international trade law cannot be predicted in advance without knowing the individual circumstances of such a case. The objective of the international trade provisions in this area has largely been aimed at reducing government interference with private contracts which have already been reviewed and licensed by government. Canada's sovereign right to control diversion of water courses within its borders is unimpaired by the GATT or the FTA.

IV PEOPLE ISSUES

A NATIVE CONSULTATION

The Ministry of Aboriginal Affairs has been charged with coordinating the development of a government-wide policy to address the Province's fiduciary obligation as set out in Delgamuukw. It is generally accepted that where aboriginal sustenance or cultural activities on unoccupied Crown lands will be affected by development activity, some degree of consultation with the affected Native group will be required. Native participants at the experts' session reiterated that a consultation process would be the minimum requirement where traditional Native lands are affected by proposals for bulk water export.

In August of 1990, the province announced that it would join the federal government and Native groups in the negotiation of land claims. The province has since been studying the issue of interim measures pending the resolution of land claims, and identifying the scope of options available. The range of options may include anything from reserving absolute decision-making authority to the province, to consultation, to a moratorium on further development of a resource in a land claims area. Some native participants at the expert's session suggested that a moratorium on the export of bulk water be established as an interim measure until the settlement of land claims has been completed.

Given both the province's fiduciary obligation, and the ongoing negotiation of land claims, a clearly defined process setting out minimum requirements for companies proposing export and for licensing agencies would begin to address Native people's concerns. Issues such as joint ventures, employment opportunities, protection of the environment, and management of the resource should all be looked over with affected Native groups before licences would be considered.

B COMPANY ISSUES

The complexity of the application process through the federal and provincial governments for bulk water export has created hardships for a number of the companies. Investments have been eaten up by fees which are charged whether or not the water is shipped. A new structure, which provides for appropriate fees until such time as contracts are signed and water is shipped, needs to be established. Currently, nine dollars per acre foot is paid regardless of whether the water is shipped. An additional nine dollars is paid per acre foot once shipment begins. Thus a licence for a viable bulk water shipment site would be expensive to carry even though no revenue is received. The province might consider the possibility of treating bulk water export licences in a manner similar to tree farm licences and mineral claims. There the fees are paid based on the usage of the resource. This would keep costs to a minimum for companies until such time as production begins and revenue begins to flow. This pricing structure could be integrated into the auction plan outlined earlier in the paper.

C COMPETITION WITH CURRENT BOTTLED WATER SHIPMENTS

One fear that emerges when considering the bulk shipment of water is that the importer could begin to bottle water in direct competition with our current bottled water market that is emerging in California. The current employment of British

Columbians could be threatened by creating competition in the United States from our own water supply. Clauses in the FTA require that we must accord Americans equal treatment with regard to any 'good'. Bulk water would become a 'good' and we would not be able to control its use once the contract was signed.

Suggestions have been made that we could label B.C. water in a unique manner that might improve the marketing capability of our bottling companies in the U.S. market.

SUMMARY

The issues which have been identified cover the most prominent factors of a very complex issue that must be considered when weighing the question of how to export bulk water in tanks.

Whereas this is not a comprehensive list and no doubt other issues will arise as you read the paper we do want to hear from you regarding all aspects of the subject.

It is critical that public reaction to the directions outlined in this paper are received.

Please use the Comment sheet at the front of this paper and submit your ideas as soon as possible.

Thank You.

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by Educom International Inc.

This discussion paper was released by Environment Minister John Cashore on May 8, 1992. At the same time, the Minister announced that the Ministry of Environment, Lands and Parks will continue the prohibition on new licences for the export of large shipments of B.C. water by marine vessels until June 30, 1994.

Over the next two years, the ministry is undertaking a full review of water management policies and legislation including water export. This review will include extensive consultations with the public, industry and a variety of interest groups. The review will begin with the release of a discussion paper, "Stewardship of the Water of British Columbia: A Review of Policy and Legislation", early in the summer of 1992.

Please note that Jim Carter, a consultant with Educom International Inc. and author of this report, will not be involved in the consultation process on water export as is stated at the bottom of page two.

For further information, please call 1-800-665-1001.